



**ASSEMBLY AMENDMENT 8,
TO 1995 ASSEMBLY BILL 21**

January 26, 1995 - Offered by COMMITTEE ON INSURANCE, SECURITIES AND CORPORATE POLICY.

1 At the locations indicated, amend the bill as follows:

2 **1. Page 1, line 5:** after "programs;" insert "increasing the earned income tax
credit;"

3 **2. Page 1, line 9:** after the semicolon insert "child care funding; expanding
medical assistance eligibility for certain children in low-income families;"

4 **3. Page 4, line 20:** after that line insert:

5 "SECTION 3m. 46.40 (4) (a) of the statutes is amended to read:

6 46.40 (4) (a) For distribution for child care services under s. 46.98 (2m), (3) and
7 (4g), the department shall allocate not more than ~~\$13,991,100~~ \$17,741,100 for the
8 last 6 months of ~~1993~~ 1995, not more than ~~\$28,048,600~~ \$35,548,600 for ~~1994~~ 1996
9 and not more than ~~\$14,057,400~~ \$17,807,400 for the first 6 months of ~~1995~~ 1997. From
10 the amounts specified in this paragraph for ~~1994~~ 1996 and the first 6 months of ~~1995~~
11 1997, the department shall transfer to the distribution under sub. (3) for child care
12 services under s. 46.98 (4g) amounts that the department shall determine based on
13 the amount expended in ~~1992~~ 1994 by county departments under s. 46.215, 46.22 and

1 46.23 and by nonprofit organizations as described in s. 46.98 (2) (a) for child care
2 services to assist families in stress and to preserve family units.”.

3 **4. Page 10, line 20:** after that line insert:

4 **“SECTION 11b.** 49.46 (1) (ar) of the statutes is created to read:

5 49.46 (1) (ar) 1. If the change requested under subd. 3. in the approved state
6 plan for services under 42 USC 1396 is approved by the federal department of health
7 and human services, the department of health and social services shall disregard
8 income from the individuals described under subd. 2. in an amount sufficient for the
9 individuals to become eligible for medical assistance under this section.

10 2. The department shall disregard income under subd. 1. to allow all
11 individuals born after September 30, 1983, who have not yet attained 19 years of age
12 and whose family income, before any income is disregarded under this paragraph,
13 does not exceed 185% of the poverty line for a family the size of the individual’s family.

14 3. The department shall request a change in the approved state plan for
15 services under 42 USC 1396 to allow, pursuant to the authority granted under 42
16 USC 1396a (r) (2), the use of federal matching funds to provide medical assistance
17 coverage to individuals under this paragraph beginning on January 1, 1996.

18 **SECTION 11c.** 71.07 (9e) (ad) (intro.) of the statutes is amended to read:

19 71.07 (9e) (ad) (intro.) For taxable years beginning ~~on or after January 1, 1994~~
20 after December 31, 1993, and before January 1, 1995, a person who has one
21 qualifying child who has the same principal place of abode as the person may credit
22 against the tax imposed under s. 71.02 an amount equal to the amount calculated by
23 one of the following methods, based on the person’s earned income or federal adjusted
24 gross income:

1 **SECTION 11e.** 71.07 (9e) (af) of the statutes is created to read:

2 71.07 **(9e)** (af) For taxable years beginning on or after January 1, 1995, a person
3 who has one qualifying child who has the same principal place of abode as the person
4 may credit against the tax imposed under s. 71.02 an amount equal to the amount
5 calculated by one of the following methods, based on the person's earned income or
6 federal adjusted gross income:

7 1. If the person's federal adjusted gross income is below the phase-out income
8 threshold under par. (at) and the person's earned income is the maximum credit
9 income under par. (at) or less, the credit shall be the person's earned income
10 multiplied by 1.29%.

11 2. If the person's federal adjusted gross income is below the phase-out income
12 threshold under par. (at) and the person's earned income is more than the maximum
13 credit income under par. (at) but not more than the phase-out income threshold, the
14 credit shall be the maximum credit income multiplied by 1.29%.

15 3. If the person's federal adjusted gross income is below the phase-out income
16 threshold under par. (at) and the person's earned income is more than the phase-out
17 income threshold but not more than the maximum income under par. (at), the credit
18 shall be the amount obtained by subtracting from the maximum credit under par.
19 (at), the amount obtained by multiplying by 0.92%, the difference between the
20 person's earned income and the phase-out income threshold.

21 4. If the person's federal adjusted gross income is at or above the phase-out
22 income threshold under par. (at) but not more than the maximum income under par.
23 (at), the credit shall be the lesser of one of the following:

24 a. If the person's earned income is the maximum credit income under par. (at)
25 or less, the person's earned income multiplied by 1.29%.

1 b. If the person’s earned income is more than the maximum credit income under
2 par. (at) but not more than the phase-out income threshold under par. (at), the
3 maximum credit income multiplied by 1.29%.

4 c. If the person’s earned income is more than the phase-out income threshold
5 under par. (at) but not more than the maximum income under par. (at), the amount
6 obtained by subtracting from the maximum credit under par. (at), the amount
7 obtained by multiplying by 0.92%, the difference between the person’s earned income
8 and the phase-out income threshold.

9 d. The amount obtained by subtracting from the maximum credit under par.
10 (at), the amount obtained by multiplying by 0.92%, the difference between the
11 person’s federal adjusted gross income and the phase-out income threshold under
12 par. (at).

13 **SECTION 11h.** 71.07 (9e) (ah) (intro.) of the statutes is amended to read:

14 71.07 (9e) (ah) (intro.) For taxable years beginning ~~on or after January 1, 1994~~
15 after December 31, 1993, and before January 1, 1995, a person who has 2 qualifying
16 children who have the same principal place of abode as the person may credit against
17 the tax imposed under s. 71.02 an amount equal to the amount calculated by one of
18 the following methods, based on the person’s earned income or federal adjusted gross
19 income:

20 **SECTION 11j.** 71.07 (9e) (aj) of the statutes is created to read:

21 71.07 (9e) (aj) For taxable years beginning on or after January 1, 1995, a person
22 who has 2 qualifying children who have the same principal place of abode as the
23 person may credit against the tax imposed under s. 71.02 an amount equal to the
24 amount calculated by one of the following methods, based on the person’s earned
25 income or federal adjusted gross income:

1 1. If the person's federal adjusted gross income is below the phase-out income
2 threshold under par. (at) and the person's earned income is the maximum credit
3 income under par. (at) or less, the credit shall be the person's earned income
4 multiplied by 7%.

5 2. If the person's federal adjusted gross income is below the phase-out income
6 threshold under par. (at) and the person's earned income is more than the maximum
7 credit income under par. (at) but not more than the phase-out income threshold, the
8 credit shall be the maximum credit income multiplied by 7%.

9 3. If the person's federal adjusted gross income is below the phase-out income
10 threshold under par. (at) and the person's earned income is more than the phase-out
11 income threshold but not more than the maximum income under par. (at), the credit
12 shall be the amount obtained by subtracting from the maximum credit under par.
13 (at), the amount obtained by multiplying by 5%, the difference between the person's
14 earned income and the phase-out income threshold.

15 4. If the person's federal adjusted gross income is at or above the phase-out
16 income threshold under par. (at) but not more than the maximum income under par.
17 (at), the credit shall be the lesser of one of the following:

18 a. If the person's earned income is the maximum credit income under par. (at)
19 or less, the person's earned income multiplied by 7%.

20 b. If the person's earned income is more than the maximum credit income under
21 par. (at) but not more than the phase-out income threshold under par. (at), the
22 maximum credit income multiplied by 7%.

23 c. If the person's earned income is more than the phase-out income threshold
24 under par. (at) but not more than the maximum income under par. (at), the amount
25 obtained by subtracting from the maximum credit under par. (at), the amount

1 obtained by multiplying by 5%, the difference between the person's earned income
2 and the phase-out income threshold.

3 d. The amount obtained by subtracting from the maximum credit under par.
4 (at), the amount obtained by multiplying by 5%, the difference between the person's
5 federal adjusted gross income and the phase-out income threshold under par. (at).

6 **SECTION 11L.** 71.07 (9e) (ap) (intro.) of the statutes is amended to read:

7 71.07 **(9e)** (ap) (intro.) For taxable years beginning ~~on or after January 1, 1994~~
8 after December 31, 1993 and before January 1, 1995, a person who has more than
9 2 qualifying children who have the same principal place of abode as the person may
10 credit against the tax imposed under s. 71.02 an amount equal to the amount
11 calculated by one of the following methods, based on the person's earned income or
12 federal adjusted gross income:

13 **SECTION 11p.** 71.07 (9e) (ar) of the statutes is created to read:

14 71.07 **(9e)** (ar) For taxable years beginning on or after January 1, 1995, a
15 person who has more than 2 qualifying children who have the same principal place
16 of abode as the person may credit against the tax imposed under s. 71.02 an amount
17 equal to the amount calculated by one of the following methods, based on the person's
18 earned income or federal adjusted gross income:

19 1. If the person's federal adjusted gross income is below the phase-out income
20 threshold under par. (at) and the person's earned income is the maximum credit
21 income under par. (at) or less, the credit shall be the person's earned income
22 multiplied by 21%.

23 2. If the person's federal adjusted gross income is below the phase-out income
24 threshold under par. (at) and the person's earned income is more than the maximum

1 credit income under par. (at) but not more than the phase-out income threshold, the
2 credit shall be the maximum credit income multiplied by 21%.

3 3. If the person's federal adjusted gross income is below the phase-out income
4 threshold under par. (at) and the person's earned income is more than the phase-out
5 income threshold but not more than the maximum income under par. (at), the credit
6 shall be the amount obtained by subtracting from the maximum credit under par.
7 (at), the amount obtained by multiplying by 15%, the difference between the person's
8 earned income and the phase-out income threshold.

9 4. If the person's federal adjusted gross income is at or above the phase-out
10 income threshold under par. (at) but not more than the maximum income under par.
11 (at), the credit shall be the lesser of one of the following:

12 a. If the person's earned income is the maximum credit income under par. (at)
13 or less, the person's earned income multiplied by 21%.

14 b. If the person's earned income is more than the maximum credit income under
15 par. (at) but not more than the phase-out income threshold under par. (at), the
16 maximum credit income multiplied by 21%.

17 c. If the person's earned income is more than the phase-out income threshold
18 under par. (at) but not more than the maximum income under par. (at), the amount
19 obtained by subtracting from the maximum credit under par. (at), the amount
20 obtained by multiplying by 15%, the difference between the person's earned income
21 and the phase-out income threshold.

22 d. The amount obtained by subtracting from the maximum credit under par.
23 (at), the amount obtained by multiplying by 15%, the difference between the person's
24 federal adjusted gross income and the phase-out income threshold under par. (at).

25 **SECTION 11r.** 71.07 (9e) (at) 2. of the statutes is amended to read:

1 71.07 (9e) (at) 2. For taxable years beginning on or after January 1, ~~1995~~ 1996,
2 the maximum credit income, phase-out income threshold and the maximum income
3 under subd. 1. shall be increased each year by a percentage equal to the percentage
4 change between the U.S. consumer price index for all urban consumers, U.S. city
5 average, for the month of June of the current year and the U.S. consumer price index
6 for all urban consumers, U.S. city average, for the month of June of the previous year,
7 as determined by the federal department of labor. Each amount that is revised under
8 this paragraph shall be rounded to the nearest multiple of \$10 if the revised amount
9 is not a multiple of \$10 or, if the revised amount is a multiple of \$5, such an amount
10 shall be increased to the next higher multiple of \$10. The department of revenue
11 shall adopt by rule the changes in dollar amounts required under this paragraph
12 every year, and incorporate the changes in the income tax forms and instructions.

13 **SECTION 11t.** 71.07 (9e) (at) 3. (intro.) of the statutes is amended to read:

14 71.07 (9e) (at) 3. (intro.) For taxable years beginning ~~on or after January 1,~~
15 1994 after December 31, 1993, and before January 1, 1995, the maximum credit is
16 one of the following amounts:

17 **SECTION 11v.** 71.07 (9e) (at) 4. of the statutes is created to read:

18 71.07 (9e) (at) 4. For taxable years beginning on or after January 1, 1995, the
19 maximum credit is one of the following amounts:

20 a. If the person has one qualifying child who has the same principal place of
21 abode as the person, the maximum credit income under subd. 1. a. multiplied by
22 1.29%.

23 b. If the person has 2 qualifying children who have the same principal place of
24 abode as the person, the maximum credit income under subd. 1. a. multiplied by 7%.

1 c. If the person has more than 2 qualifying children who have the same
2 principal place of abode as the person, the maximum credit income under subd. 1. a.
3 multiplied by 21%.”.

4 **5. Page 15, line 25:** after that line insert:

5 “(13) HEALTHY START EXPANSION BENEFIT COSTS. In the schedule under section
6 20.005 (3) of the statutes for the appropriation to the department of health and social
7 services under section 20.435 (1) (b) of the statutes, as affected by the acts of 1995,
8 the dollar amount is increased by \$737,200 for fiscal year 1995–96 and the dollar
9 amount is increased by \$3,361,100 for fiscal year 1996–97 to pay the state share of
10 medical assistance benefit costs for persons who are eligible for medical assistance
11 as a result of the change in the approved state plan under section 49.46 (1) (ar) 3. of
12 the statutes, as created by this act.

13 (14) HEALTHY START EXPANSION ADMINISTRATIVE COSTS. In the schedule under
14 section 20.005 (3) of the statutes for the appropriation to the department of health
15 and social services under section 20.435 (1) (bm) of the statutes, as affected by the
16 acts of 1995, the dollar amount is increased by \$17,000 for fiscal year 1995–96 and
17 the dollar amount is increased by \$75,400 for fiscal year 1996–97 to pay the state
18 share of medical assistance administrative contract costs related to persons who are
19 eligible for medical assistance as a result of the change in the approved state plan
20 under section 49.46 (1) (ar) 3. of the statutes, as created by this act.

21 (15) HEALTHY START EXPANSION COUNTY INCOME MAINTENANCE COSTS. In the
22 schedule under section 20.005 (3) of the statutes for the appropriation to the
23 department of health and social services under section 20.435 (4) (de) of the statutes,
24 as affected by the acts of 1995, the dollar amount is increased by \$65,400 for fiscal

1 year 1995-96 and the dollar amount is increased by \$289,400 for fiscal year 1996-97
2 to pay county income maintenance costs related to persons who are eligible for
3 medical assistance as a result of the change in the approved state plan under section
4 49.46 (1) (ar) 3. of the statutes, as created by this act.

5 (16) LOW-INCOME CHILD CARE. In the schedule under section 20.005 (3) of the
6 statutes for the appropriation to the department of health and social services under
7 section 20.435 (7) (b) of the statutes, as affected by the acts of 1995, the dollar amount
8 is increased by \$7,500,000 for fiscal year 1995-96 and the dollar amount is increased
9 by \$7,500,000 for fiscal year 1996-97 to increase funding for low-income child care,
10 as defined in section 46.98 (1) (bm) of the statutes, at-risk child care, as defined in
11 section 46.98 (1) (ad) of the statutes, and respite child care, as defined in section 46.98
12 (1) (d) of the statutes.”.

13 (END)